

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

(Jointly Administered)

Debtors.¹

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**OMNIBUS JOINT STATUS REPORT REGARDING NATIONAL PUBLIC
FINANCE GUARANTEE CORP., AMBAC, AND GO BONDHOLDERS,
ASSURED GUARANTY & MUTUAL FUND GROUP RULE 2004 MOTIONS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (iv) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808).

To the Honorable United States Magistrate Judge Judith Gail Dein:

The Commonwealth of Puerto Rico (the “Commonwealth”), the Puerto Rico Sales Tax Financing Corporation (“COFINA”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS” and together with the Commonwealth, COFINA, and HTA, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Debtors’ representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² (ii) the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF” and together with the Debtors and Oversight Board, the “Respondents”), (iii) National Public Finance Guarantee Corporation (“National”), (iv) the Ad Hoc Group of General Obligation Bondholders (the “GO Bondholders”), (v) Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (together, “Assured”), (vi) the Mutual Fund Group (“MFG”), (vii) Ambac Assurance Corporation (“Ambac”), (viii) the Official Committee of Unsecured Creditors of all title III Debtors (other than COFINA) (the “Committee”), and (ix) the “ERS Bondholders”³ respectfully submit this omnibus joint status report (the “Omnibus Joint Status Report”) in response to the Court’s October 19, 2017 “Order for Joint Status Reports Regarding Motions for Order Authorizing Rule 2004 Examinations” [ECF No. 1471].

² PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

³ The ERS Bondholders are a group of holders of bonds issued by ERS comprised of Altair Global Credit Opportunities Fund (A), LLC; Andalusian Global Designated Activity Company; Glendon Opportunities Fund, L.P.; Mason Capital Master Fund LP; Nokota Capital Master Fund, L.P.; Oaktree-Forrest Multi-Strategy, LLC (SERIES B); Oaktree Opportunities Fund IX, L.P.; Oaktree Opportunities Fund IX (PARALLEL 2), L.P.; Oaktree Value Opportunities Fund, L.P.; Ocher Rose, L.L.C.; and SV Credit, L.P. National, the GO Bondholders, Assured, MFG, Ambac, the Committee, and the ERS Bondholders are collectively referred to as the “Movants.” The Movants and Respondents are collectively referred to as the “Parties.”

The Parties report as follows:

On August 25, 2017, National filed the “Motion of National Public Finance Guarantee Corporation for Entry of an Order Pursuant to Bankruptcy Rule 2004 Authorizing Discovery” [ECF No. 1177] (the “National Motion”) and the GO Bondholders, Assured and MFG filed the “Joint Motion by the Ad Hoc Group of General Obligation Bondholders, Assured Guaranty Corp., Assured Guaranty Municipal Corp., and the Mutual Fund Group for Order Authorizing Rule 2004 Examination” [ECF No. 1178] (the “GO Motion”). On September 12, 2017, Ambac filed “Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery under Bankruptcy Rule 2004” [ECF No. 1283] (the “Ambac Motion”). On September 19, 2017, the ERS Bondholders filed the “ERS Secured Creditors Joinder to Rule 2004 Motions” [ECF No. 1340] (the “Joinder Motion”) seeking joinder to the National Motion and the GO Motion. On November 2, 2017, the Committee filed the “Limited Joinder of Official Committee of Unsecured Creditors to (I) Motion of National Public Finance Guarantee Corporation for Entry of Order Pursuant to Bankruptcy Rule 2004 Authorizing Discovery; (II) Joint Motion by Ad Hoc Group of General Obligation Bondholders, Assured Guaranty Corp., Assured Guaranty Municipal Corp., and Mutual Fund Group for Order Authorizing Rule 2004 Examination; and (III) Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004” [ECF No. 1603] (the “Limited Committee Joinder”).⁴

The Motions seek entry of an order, pursuant to Fed. R. Bankr. P. 2004(b), (1) compelling Respondents to produce certain documents and materials; (2) compelling the deposition of individual members of the Oversight Board; (3) compelling the Commonwealth and AAFAF to

⁴ The National Motion, GO Motion, Ambac Motion and Joinder Motion are collectively referred to as the “Motions,” and the Limited Committee Joinder joins the Motions in part.

designate for deposition a witness or witnesses knowledgeable about certain specified topics; and (4) authorizing Movants to serve subpoenas on third parties as to certain specified topics without further leave of the Court.⁵

On September 19, 2017, the Debtors filed “Debtors’ Omnibus Objection to Motions for Orders Authorizing Rule 2004 Discovery” [ECF No. 1345] (the “Omnibus Objection”).⁶ On September 29, 2017, the Debtors filed “Debtors’ Objection to the ERS Bondholders’ Motion for Proposed Joinder to Rule 2004 Motions.” [ECF No. 1380] (the “Joinder Objection”). On October 31, 2017, AAFAF filed “The Puerto Rico Fiscal Agency and Financial Advisory Authority Joinder to Debtor’s Omnibus Objection to Motions for Orders Authorizing Rule 2004 Discovery” [ECF No. 1582] (“AAFAF’s Objection”).⁷ Movants replies are due by November 7, 2017. The matter is scheduled to be heard at the Omnibus Hearing on November 15, 2017 at 9:30 a.m.⁸

On October 31, 2017, the Parties (other than the Committee) met and conferred to discuss the Motions, Objections and this Omnibus Joint Status Report. The Parties have not resolved this dispute: Movants maintain that they have demonstrated that they are entitled to the requested relief and Respondents maintain that Movants are not entitled to any discovery under Rule 2004. During the meet and confer, counsel for Respondents advised counsel for Movants that Respondents planned to seek leave of the Court to file a short supplemental memorandum of law advising the Court of (1) the impact of the determination announced by the Oversight Board on October 31, 2017 to revise the Fiscal Plan following the devastation caused by Hurricanes Irma and Maria; and

⁵ See ECF Nos. 1177, 1178, 1283 and 1340.

⁶ The Omnibus Objection opposed the National Motion, GO Motion, and Ambac Motion.

⁷ The Omnibus Objection, the Joinder Objection, and AAFAF’s Objection are collectively referred to as the “Objections.”

⁸ See ECF No. 1381.

(2) the impact of the withdrawal of one of the adversary proceedings to which National and Assured were plaintiffs.

The Parties have agreed that Movants will not object to the Respondents filing a motion requesting permission from the Court to file a supplemental brief of less than six pages, by 3:00 p.m. (EDT) on November 3, 2017, to which Movants may include their responses in their replies to the Objections to be filed on November 7, 2017.

The Parties look forward to appearing before the Court to address the issues raised in the Motions. By filing this Omnibus Joint Status Report, the Parties do not waive or release any rights.

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Dated: November 3, 2017
San Juan, Puerto Rico

Respectfully submitted,

/s/ Timothy W. Mungovan

Martin J. Bienenstock
Stephen L. Ratner
Timothy W. Mungovan
Paul V. Possinger
(Admitted *Pro Hac Vice*)
PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

Attorneys for the Financial Oversight and Management Board as representative for the Debtors

/s/ Hermann D. Bauer

Hermann D. Bauer
USDC No. 215205
O'NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

Co-Attorneys for the Financial Oversight and Management Board as representative for the Debtors

/s/ Peter Friedman

John J. Rapisardi
Suzanne Uhland
(Admitted *Pro Hac Vice*)
O'MELVENY & MYERS LLP
7 Times Square
New York, NY 10036
Tel: (212) 326-2000
Fax: (212) 326-2061

Peter Friedman
(Admitted *Pro Hac Vice*)
1625 Eye Street, NW
Washington, DC 20006
Tel: (202) 383-5300
Fax: (202) 383-5414

Elizabeth L. McKeen
(Admitted *Pro Hac Vice*)
610 Newport Center Drive
17th Floor
Newport Beach, California 92660
Tel: (949) 823-6900
Fax: (949) 823-6994

Attorneys for the Puerto Rico Fiscal Agency and Financial Advisory Authority

/s/ Andrés W. López

Andrés W. López
USDC No. 215311
THE LAW OFFICES OF ANDRÉS W. LÓPEZ, P.S.C.
902 Fernández Juncos Ave.
San Juan, PR 00907
Tel: (787) 294-9508
Fax: (787) 294-9519

Co-Attorney for the Puerto Rico Fiscal Agency and Financial Advisory Authority

/s/ Eric Pérez-Ochoa
Eric Pérez-Ochoa
USDC-PR No. 206314

/s/ Luis Oliver-Fraticelli
Luis Oliver-Fraticelli
USDC-PR No. 209204

/s/ Alexandra Casellas-Cabrera
Alexandra Casellas-Cabrera
USDC-PR No. 301010
Lourdes Arroyo Portela
USDC-PR No. 226501
ADSUAR MUÑIZ GOYCO
SEDA & PÉREZ-OCHOA, P.S.C.
208 Ponce de León Avenue, Suite 1600
San Juan, PR 00936
Tel: (787) 756-9000
Fax: (787) 756-9010

*Attorneys for National Public
Finance Guarantee Corporation*

Marcia Goldstein*
Salvatore A. Romanello*
Kelly DiBlasi*
Gabriel A. Morgan*
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Tel: (212) 310-8000
Fax: (212) 310-8007

*Co-Attorneys for National Public
Finance Guarantee Corporation*

* Pro hac vice application pending.

/s/ Andrés F. Picó Ramírez
J. Ramón Rivera Morales
(USDC-PR No. 200701)
Andrés F. Picó Ramírez
(USDC-PR No. 302114)
JIMÉNEZ, GRAFFAM & LAUSELL
PO Box 366104
San Juan, PR 00936-6104
Tel: (787) 767-1030

*Attorneys for the Ad Hoc Group of General
Obligation Bondholders*

Andrew N. Rosenberg
Kyle J. Kimpler
Karen R. Zeituni
(Admitted *Pro Hac Vice*)
**PAUL,WEISS, RIFKIND,WHARTON &
GARRISON, LLP**
1285 Avenue of the Americas
New York, NY 10019
Tel: (212) 373-3000

Lawrence S. Robbins
Mark T. Stancil
Gary A. Orseck
Kathryn S. Zecca
Ariel N. Lavinbuk
Donald Burke
(Admitted *Pro Hac Vice*)
**ROBBINS, RUSSELL, ENGLERT,
ORSECK,
UNTEREINER & SAUBER LLP**
1801 K Street, NW
Washington, D.C. 20006
Tel: (202) 775-4500

*Co-Attorneys for the Ad Hoc Group of General
Obligation Bondholders*

/s/ Heriberto Burgos Pérez

Heriberto Burgos Pérez
USDC-PR 204809
Ricardo F. Casellas-Sánchez
USDC-PR 203114
Diana Pérez-Seda
USDC-PR 232014
CASELLAS ALCOVER & BURGOS P.S.C
P.O. Box 364924
San Juan, PR 00936-4924
Tel: (787) 756-1400
Fax: (787) 756-1401

*Attorneys for Assured Guaranty Corp and
Assured Guaranty Municipal Corp.*

/s/ Howard R. Hawkins

Howard R. Hawkins, Jr.
Mark C. Ellenberg
Ellen Halstead
Thomas J. Curtin
Casey J. Servais
(Admitted *Pro Hac Vice*)
**CADWALADER, WICKERSHAM &
TAFT LLP**
200 Liberty Street
New York, NY 10281
Tel: (212) 504-6000
Fax: (212) 406-6666

*Co-Attorneys for Assured Guaranty Corp and
Assured Guaranty Municipal Corp.*

/s/ Manuel Fernandez-Bared

MANUEL FERNÁNDEZ-BARED
USDC-PR No. 204,204
/s/ Linette Figueroa-Torres
LINETTE FIGUEROA-TORRES
USDC-PR No. 227,104

/s/ Jane Patricia Van Kirk

JANE PATRICIA VAN KIRK
USDC-PR No. 220,510
**TORO, COLÓN, MULLET, RIVERA &
SIFRE, P.S.C.**
P.O. Box 195383
San Juan, PR 00919-5383
Tel.: (787) 751-8999
Fax: (787) 763-7760

Attorneys for the Mutual Fund Group

/s/ Gregory A. Horowitz

THOMAS MOERS MAYER
AMY CATON
GREGORY A. HOROWITZ
DOUGLAS BUCKLEY
(Admitted *Pro Hac Vice*)
**KRAMER LEVIN NAFTALIS &
FRANKEL LLP**
1177 Avenue of the Americas
New York, New York 10036
Tel.: (212) 715-9100
Fax: (212) 715-8000

Co-Attorneys for the Mutual Fund Group

/s/ Alfredo Fernández-Martínez

Alfredo Fernández-Martínez
USDC-PR 210511
DELGADO & FERNÁNDEZ, LLC
PO Box 11750
Fernández Juncos Station
San Juan, Puerto Rico 00910-1750
Tel. (787) 274-1414
Fax: (787) 764-8241

Attorneys for Altair Global Credit Opportunities Fund (A), LLC, Andalusian Global Designated Activity Company, Glendon Opportunities Fund, L.P., Mason Capital Management, LLC, Nokota Capital Master Fund, L.P., Oaktree-Forrest Multi-Strategy, LLC (Series B), Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Oaktree Value Opportunities Fund, L.P., Ocher Rose, L.L.C., and SV Credit, L.P.

/s/ Bruce Bennett

Bruce Bennett (*pro hac vice*)
JONES DAY
555 South Flower Street
Fiftieth Floor
Los Angeles, California 90071
Tel. (213) 489-3939
Fax: (213) 243-2539

Benjamin Rosenblum (*pro hac vice*)

JONES DAY
250 Vesey Street
New York, NY 10281
Tel. (212) 326-3939
Fax: (212) 755-7306

Geoffrey S. Stewart (*pro hac vice*)

Beth Heifetz (*pro hac vice*)
Christopher J. DiPompeo (*pro hac vice*)
Sparkle L. Sooknanan (*pro hac vice*)
JONES DAY

51 Louisiana Ave. N.W.
Washington, DC 20001
Tel. (202) 879-3939
Fax: (202) 626-1700

Co-Attorneys for Altair Global Credit Opportunities Fund (A), LLC, Andalusian Global Designated Activity Company, Glendon Opportunities Fund, L.P., Mason Capital Management, LLC, Nokota Capital Master Fund, L.P., Oaktree-Forrest Multi-Strategy, LLC (Series B), Oaktree Opportunities Fund IX, L.P., Oaktree Opportunities Fund IX (Parallel 2), L.P., Oaktree Value Opportunities Fund, L.P., Ocher Rose, L.L.C., and SV Credit, L.P.

/s/ G. Alexander Bongartz

Luc. A. Despins, Esq.
James R. Bliss, Esq.
James B. Worthington, Esq.
G. Alexander Bongartz, Esq.
(Admitted *Pro Hac Vice*)
PAUL HASTINGS LLP
200 Park Avenue
New York, New York 10166
Tel: (212) 318-6000

Counsel to the Official Committee of Unsecured Creditors

/s/ Juan J. Casillas Ayala

Juan J. Casillas Ayala, Esq.
USDC - PR 218312
Diana M. Batlle-Barasorda, Esq.
USDC - PR 213103
Alberto J. E. Añeses Negrón, Esq.
USDC - PR 302710
Ericka C. Montull-Novoa, Esq.
USDC - PR 230601
CASILLAS, SANTIAGO & TORRES LLC
El Caribe Office Building
53 Palmeras Street, Ste. 1601
San Juan, Puerto Rico 00901-2419
Telephone: (787) 523-3434

Local Counsel to the Official Committee of Unsecured Creditors

/s/ Roberto Cámara-Fuertes

Roberto Cámara-Fuertes (USDC-PR No. 219002)
Sonia Colón (USDC-PR No. 213809)
FERRAIUOLI LLC
221 Ponce de León Avenue, 5th Floor
San Juan, PR 00917
Telephone: (787) 766-7000
Facsimile: (787) 766-7001

/s/ Dennis F. Dunne

Dennis F. Dunne
Andrew M. Leblanc
Atara Miller
Grant R. Mainland
(admitted *pro hac vice*)
MILBANK, TWEED, HADLEY & McCLOY LLP
28 Liberty Street
New York, NY 10005
Telephone: (212) 530-5770
Facsimile: (212) 822-5770

Attorneys for Ambac Assurance Corporation